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London County Council.

INTERNATIONAL CONGRESS

ON THE

HOUSING OF THE WORKING CLASSES,

HELD AT BRUSSELS IN JULY, 1897.

Report by the Council's Delegates upon the proceedings
of the Congress.

Report by Mr. Owen Fleming, one of the Council's
Assistant Architects, upon the history and present
position of the housing question in Belgium.

Presented to the Council on 9th November, 1897.



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INTERNATIONAL CONGRESS ON THE HOUSING OF THE WORKING CLASSES.

HELD AT BRUSSELS IN JULY, 1897.

Report of the Proceedings of the Congress.

The second International Congress on the Housing of the Working Classes was held at Brussels on the 23rd, 24th, and 25th July, 1897, under the direction of the Belgian Government. Upon a communication from Her Majesty's Secretary of State for Foreign Affairs, intimating the desire of the Belgian Government that representatives should attend, the London County Council appointed Mr. Alfred Smith, Chairman of the Housing of the Working Classes Committee, and Mr. Owen Fleming, Assistant Architect (in the unavoidable absence of the Council's Architect), to attend the Congress. The only other British representative present was Mr. Geoffrey Drage, M.P. The delegates from other European countries were, however, numerous.

The Congress was presided over by Monsieur Beernaert, President of the Belgian Chamber of Representatives. Her Royal Highness the Countess of Flanders was present at one of the sittings, and presented a sum of 1,000 fr. to be used as the Congress might determine for the encouragement of the study of the housing problem.

The questions considered by the Congress were briefly as follows—

- (i.) Should the Public Authorities—
 - (a) Construct working class dwellings, and let or sell these dwellings to workmen and other persons of small incomes?
 - (b) Intervene in favour of the construction of working class dwellings by means of remissions of taxation, grants of land, gratuitous public services, subscription of shares or bonds, premiums or subsidies, etc.?
- (ii.) In the event of the re-construction of a working class district is it expedient to replace the demolished dwellings by new working class houses?
- (iii.) In legislation affecting the provision of houses for the working class, is it desirable to insert restrictive provisions concerning the conveyance and inheritance (*partage*) of property, and distress for non-payment of rent? If so, what should these provisions be?
- (iv.) Is it desirable to apply the principles of "Torrens' Act"* to conveyances and mortgages with respect to working class dwellings?
- (v.) Is it desirable for the Public Authorities to organize a system of inspection of working class dwellings, and if so under what form?
- (vi.) (a) What are the practical steps that could be taken to establish a permanent statistical inquiry as to hygienic problems in connection with working class dwellings?
(b) What are the essential features of a list of house-to-house questions in order to enable these inquiries to be usefully compared one with another?
- (vii.) What are the technical, hygienic and financial regulations that should govern the construction of block dwellings for artisans in large towns?
- (viii.) What similar regulations should be adopted with regard to cottages in small towns, and especially in rural districts?
- (ix.) Upon what basis should Societies of Construction or of Credit† (Sociétés de Construction ou de Crédit) be established for the purpose of encouraging the erection of working class dwellings?

* This is the South Australian Act adopted at the instance of Sir Robert Torrens, upon which the New South Wales Land Act of 1862 was modelled.

† See page 8 for a description of the nature of these societies.

- (x.) (a) In what cases and under what conditions is it desirable that the ownership of the property should remain with the builder, or pass to the occupier?
- (b) Is it preferable to transfer the ownership of the property to the occupier at the date of his taking possession, or at the time of the payment of the last annuity?
- (xi.) What regulations should be made on estates comprised of working class dwellings, regarding the sale of liquor, sub-letting, drying of clothes, collection of rent, raising of rent, supervision, etc.?
- (xii.) What are the advantages and disadvantages of competitions for order and cleanliness among the occupiers of working class dwellings?

The deliberations of the Congress covered so extensive a field, and the various speakers and readers of papers considered the questions under discussion from points of view so widely varying, that it is not possible to present a useful summary of the debates within the necessary limits of this report. A verbatim report of the whole proceedings is now in course of preparation by the Belgian Government.

At an early stage in the proceedings it was ruled that the Congress being merely a deliberative assembly could not proceed to vote. As the discussion proceeded it became apparent that the questions set down for discussion demanded a closer examination than was then possible, and upon the proposition of Monsieur Cheysson, Inspecteur Général des Ponts et Chaussées of Paris, the Congress unanimously referred it to its bureau to appoint a permanent International Committee, whose duty it will be to consider housing problems from an international point of view. Mr. Owen Fleming and Mr. Geoffrey Drage, M.P., were elected by the Congress as the British representatives upon this bureau.

On the third day of the proceedings an attempt was made to induce the Congress to vote on the questions before it, but on a division the proposition was not adopted. The British representatives, taking the view that the subjects had not been sufficiently discussed, did not feel able to support this resolution.

A report by Mr. Blashill, the architect of the Council, detailing briefly the steps the Council was taking to improve the condition of the dwellings for the working class population of London, was presented to the Congress.

The representatives of the Council intervened in the deliberations of the Congress on two occasions. During the discussion upon Question I. as to the desirableness of the intervention of the public authorities, Monsieur Rostand, director of the Caisse d'Epargne at Marseilles, referred to the financial effect of the work carried out by the Council in terms which did not convey an accurate impression of the facts. The Chairman of the Housing Committee corrected these errors, and explained the financial system under which the Council worked, and showed that its operations had resulted in success. He also referred to the large scheme approaching completion on the Boundary-street area, and to other schemes in hand for the clearance of slum property and construction of healthy dwellings. The Chairman likewise adverted to the abnormally high death rate on certain over-crowded and insanitary areas. He remarked upon the necessity for the intervention of a powerful Central Authority, and pointed out the action taken in such cases by the Council. The Congress appeared to be much interested in the work carried on by the Council for the better housing of the working classes. On a subsequent occasion Mr. Owen Fleming explained the responsibility that the British public authorities felt when any proposal was made to demolish any considerable number of working class dwellings, and the means that were adopted to see that the displaced population was adequately provided for.

During the Congress the delegates paid a visit to a recently constructed avenue, nearly nine miles in length, leading from Brussels to Terneuzen. The avenue is lighted by electricity throughout its length, and is served by a rapid electric tramway. Large tracts of undeveloped land are thus brought within easy reach of the crowded town population. Visits were also paid to a number of workmens' houses, constructed under the Belgian law of 9th August, 1889, and to the Economic Section of the Brussels International Exhibition.

The Council's representatives desire to express their appreciation of the courtesy and hospitality which was extended to them by the Belgian Government, by Monsieur Beernaert, by the Municipality of Brussels, and the various Belgian representatives.

The next meeting of the Congress will probably be held in Paris in the year 1900.

ALFRED SMITH,

*Chairman of the Housing of the Working
Classes Committee.*

OWEN FLEMING,

Assistant Architect of the Council.

London,

20th October, 1897

Report of the Assistant Architect upon the History and present position of the Housing Question in Belgium.

In accordance with the instructions of the Council of the 1st of June, 1897, I beg to report upon the condition of the housing question in Belgium, and the International Conference on Working Class Dwellings held at Brussels in July, 1897.

It is only within quite recent years that national responsibility in the housing question has been realised and admitted in Belgium. Prior to the year 1886, the provision of dwellings for the working classes was left to private enterprise, to a great extent uncontrolled. There were in existence fragmentary clauses of laws that incidentally dealt with the subject, but they were so incomplete that they would have been of little real service had they been properly administered. This, however, was not the case. The local authorities appear to have taken an inadequate view of their official responsibilities, and this is stated to have been especially noticeable when the discharge of these responsibilities would have brought them into conflict with the private interests of their constituents. So much was this the case, that the Belgian Minister of Finance in his place in the Chamber of Representatives, deemed it necessary to make some severe observations as to the way the laws were being administered by certain local authorities.

There was, moreover, a considerable amount of popular dissatisfaction among the working classes of Belgium at the inaction of the local authorities, and the inadequacy of the laws, and in March, 1886, this dissatisfaction culminated in a series of strikes and disturbances. In view of these indications of dissatisfaction the Government of the day instituted an inquiry into the housing question. This inquiry was pursued simultaneously by the "Commission du Travail," and the "Conseil Supérieur d'Hygiène," and their reports showed the serious position of affairs. To use the words of M. Beernaert, for some time Prime Minister of Belgium, the inquiry "shows the deplorable condition of the dwellings inhabited by a great number—perhaps the greater number—of the working class. Hundreds, thousands, of dwellings may be regarded as absolutely insanitary. Many of these dwellings are incapable of real improvement, and the health—even the life—of the families who occupy them is in peril. The indispensable requirements of hygiene are unknown, and the laws of health are either ignored or incompletely complied with." This inquiry was completed in 1887-8, and in the following year the Government of Belgium introduced into the Chamber of Representatives a far-reaching measure, which became law on the 9th August, 1889. This Act may be said to mark the turning point in the history of this question in Belgium. It contains many novel and interesting provisions, and deserves a somewhat detailed study.

The provisions of the Act seem to group themselves naturally into two parts; the first part deals with the organisation of a coherent system for the encouragement of popular interest in health questions, and for the stimulation of lethargic local authorities to action; the second part provides means to enable workmen to become owners of their own houses.

The First Part of the Law of 9th August, 1889.

One of the chief features of this part of the Act is that it brings into existence semi-official authorities whose sole duty is the study of and care for the health of the community. These authorities are termed "Committees of Patronage," and their functions somewhat resemble those now voluntarily performed in London by the district committees of the Mansion House Council on the Dwellings of the Poor. The committees are appointed for a term of three years, and vary numerically from five to eighteen members. The majority of the members are nominated by the provincial council, but the Government nominate a strong minority * and in this way prevent the committee from falling too much under local influence. A result of this arrangement is that the medical and other technical professions are generally adequately represented on the committees. Care is also taken to secure the direct representation of the working class, and to this end working-men members of the Committees of Patronage may be allowed a payment of 1s. 7d. a sitting (annual payment not to exceed £2). The Committees of Patronage may also make grants to their secretaries, but otherwise service is honorary. The meetings of the Committees of Patronage are generally held on Sundays, or on such other days as are convenient for the working-men members.

Legislation existing in 1886.

Negligence of the local authorities.

Strikes and disturbances.

Institution of the inquiries of 1887-8.

Effect of the inquiries.

Introduction of a Housing Bill into Parliament.

The law of the 9th August, 1889.

Formation of Committees of patronage.

Method of appointment.

Representation of the working classes on Committees.

* In a committee of five members, three are nominated by the provincial council and two by the Government, and in a committee of eighteen members, ten are nominated by the provincial council and eight by the Government.

Funds of the
Committees.

The resources of the Committees of Patronage are as follows—

- (1) Grants from the Government and from local authorities.*
- (2) Private donations and legacies.

Functions of
Committees as
defined by Act.

The functions of the Committees of Patronage are defined by the Act to be—

- (1) The encouragement of the construction of healthy houses for workmen, and their sale to workmen either at once or by the help of a system of annuities.
- (2) The study of all that concerns the healthiness of existing houses inhabited by the working class, and of the localities in which these houses are generally situated.
- (3) The encouragement of thrift and life insurance, and the formation of societies for mutual assistance in case of need and for the provision of old age pensions.

The Committees of Patronage are to meet at least monthly if possible, the January sittings being devoted to—

- (i.) The adoption of the general report for the preceding year.
- (ii.) The adoption of the balance sheet.
- (iii.) The budget for the current year.

Annual report
to Government.

These documents are required to be submitted to the Government for their approval, and the Committees of Patronage are obliged to report each year on the work of the local authorities, and on the health of the district supervised by them to the Government department which is responsible for the general health of Belgium. Each local authority is furnished by the Government with a copy of the passage in the report with which it is concerned, and has to answer any criticisms therein contained. In the event of difficulties occurring the Government have the power to refuse the usual Government grant to the contumacious local authorities. The Committees of Patronage are also empowered, when necessary, to make direct representations to the local authorities. They have the power of instituting and distributing prizes for order, cleanliness, and thrift among the working classes in their district. The Government, moreover, consult the local Committee of Patronage before approving any proposal for displacement in a working class district.

Powers of the
Committees.

Effect of the
appointment of
the Committees.

The appointment of the Committees of Patronage soon produced a marked increase in the popular interest in health questions. Educated persons and experts in hygiene were provided with a means for bringing their influence and special knowledge to bear upon their less expert colleagues upon the committees; and a body of men is thus gradually being formed in Belgium which is becoming aware of the magnitude of the evils that are resulting from the common neglect of health laws. The Committees of Patronage were soon occupied with the consideration of difficult problems of an urgent character, and as they often found themselves sharply at issue with their local authorities, they sought instinctively for mutual sympathy and support. This action ultimately led to the holding of a National Congress of the Committees of Patronage for the entire kingdom, which was held at Antwerp in 1894. At this congress the difficulties that had arisen were discussed, and the following resolutions adopted—

The Antwerp
Congress of 1894.

Resolutions of
this Congress.

(1) That regulations governing the hygienic condition of workmen's dwellings should be inserted in the by-laws of each local authority, and that the government should instruct the local authorities as to the essential principles of these by-laws.

(2) That detailed statistics as to workmen's dwellings should be collected and published at regular intervals by an authority whose duty it should also be to encourage the popular study of the essential laws of health, and to enquire into the best way that private and public intervention might secure good dwellings for workmen, according to the needs of the various localities.

(3) That the public authorities should devote a portion of their funds to the construction of workmen's dwellings, at the same time carefully avoiding any hindrance to private enterprise, and that the local authorities should themselves build when necessary.

(4) That the public authorities should take shares in companies formed for the purpose of building, and that the Government should favour the formation of district societies.

(5) That public intervention should tend towards making the workman owner of his house, at the same time enabling him to benefit by a combined system of life assurance.

The Brussels
Congress of
1897.

The success of this conference, and the obvious necessity for further discussion were among the reasons that suggested the Brussels Congress of 1897, which ultimately took an international form.

Report of the
Superior Council
of Health.

The influence of the Committees of Patronage is also noticeable in the official reports of the National Superior Council of Public Health, to which

* Local authorities may contribute to the extent of 3s. 4d. per annum per 1,000 inhabitants, and it is noteworthy that this small sum has not been refused by any authority.

the Committees of Patronage are required to report yearly. This Superior Council, for example, in its report on the works of the Committees of Patronage for 1895, observes that "the Committee of the Arrondissement of Termonde is obliged to report that the sad state of many of the dwellings of the workmen in their district, previously reported upon, has in no way changed." "There remain deplorable facts . . ." "The general situation is lamentable . . ." "The committee states that this situation has been for a long time the object of reiterated complaints . . ." "Similar examples," remarks the Council, "demonstrate the absolute necessity for the central authority (Superior Council of Health) to be legally empowered to substitute its personal action for that of the local authority, when the latter neglects the interests of hygiene to such an extent."

One of the most valuable sides of the work of the Committees of Patronage is the attempt they are making to obtain some reliable statistics as to the real extent of the housing evil. Two extracts from these statistical inquiries will suffice to show their character.

The first extract is from an inquiry held by the United Committees of Patronage for the Brussels agglomeration. The report of the Committees states that—

Out of 19,284 families, 9,364 live in single rooms, and of these rooms 2,186 are attics, and 200 cellars; that there are 1,511 families consisting of more than five persons living in a single room; that in 2,895 families the boys and girls sleep in the same room, and that in 406 families they sleep in the same bed; that out of these 19,284 families there are only 491 who occupy separate houses; that out of 4,601 houses, 823, or about one-fifth, possess only one w.c. for more than 15 persons.

The statistics of detailed inquiries made during recent years in the populous districts of Anderlecht, Molenbech, Laeken, Saint Gilles, &c., are stated to be not less lamentable. These reports are gravely exercising the minds of the people of Brussels, and an organised attempt is now being made by influential inhabitants of the city to remedy this state of affairs.

The second report to which I propose to refer was prepared for the Committee of Patronage of Liège by its secretary, Professor Mahaim, of Liège University. It is an octavo volume of 140 pages, and is an attempt to get at the root of the housing question by an inquiry on scientific principles. The inquiry has been carried out as a practical illustration to show what would be possible on a larger scale, and it relates to 530 houses, (accommodating 1,952 families, consisting of 8,000 persons) within the city, and 746 houses (accommodating 3,800 persons) in the suburbs. The houses were selected to be as representative as possible. The inquiry cost between £50 and £100, and Professor Mahaim estimates that it could be extended over the whole of Liège and its suburbs in six years at an annual expenditure of £80.

The report is sufficiently interesting to justify a somewhat detailed description. Dealing with the 530 town houses* examined, it appears that at least 72 are situated upon streets without public sewers. 203 of the houses accommodate a single family, 82 two families, 54 three, 45 four, 38 five, and so on; 38 houses have more than ten families. 81 per cent. of the families have two or more other families in the same house. The mean number of persons in a family is 4.16 against 4.56 for the whole of Belgium (1890 census). 27 per cent. of the families included in the inquiry consist of six or more persons. Of 1,913 families, 941, or 49.19 per cent., live in single-room tenements; 675, or 35.29 per cent., in two-room tenements; 215 in three-room tenements. The mean number of rooms per tenement amounts to 1.72.

Of the 941 single-room tenements 178 are inhabited by one person only, 206 by two, 181 by three, 121 by four, 78 by five, 69 by six, 33 by seven, 20 by eight, 8 by nine, 3 by ten and 1 by eleven. 1,792 persons, or 61 per cent. of the single room tenants, are more than three in a room. As to the size of rooms, out of 1,882 bedrooms, 3 are less than 53.82 square feet, 130 between 53.82 square feet and 107.64 square feet, 703 between 107.64 and 161.46 square feet, 720 between 161.46 and 215.28 square feet, and 326 have over 215.28 square feet. The mean surface of all the bedrooms is 167.81 square feet. It is found that 3.15 persons on an average occupy each bedroom, and 24 per cent. of the rooms are occupied by four or more persons. 55 per cent. of the entire population sleep at least four to a room, 13 per cent. at least seven to a room. With regard to the cubic air space per person, it appears that out of 5,737 persons, 2,303, or 40.14 per cent. have less than 353 cubic feet, and of these persons nearly half occupy one-room tenements. It should be noted, however, that children are reckoned as persons. 210 houses have no water supply, and obtain their water either from public fountains or neighbouring wells. 24 houses, containing 200 inhabitants, have no sort of water-closet accommodation. In many others the number of w.c.'s is insufficient. The following examples are instructive—one w.c. for 51 persons, two for 43, one for 42, two for 41, two for 40, three for 39, &c. The district of "La Verrerie d'Avroy," "where the hygienic

Statistical
inquiries pursued
by the
Committees of
Patronage.

Inquiry at
Brussels.

Inquiry at
Liège.

* A house is generally taken to mean any building or tenement with a separate entrance from the public way and not internally connected with any other tenement. Thus a block of buildings (*caserne*) is reckoned as one house when the tenements are approached through one front entrance door, but as several houses when the tenements have their exclusive approach through separate front doors.

conditions are, however, not bad," is stated to possess eight w.c.'s for a population of 418. The average number of persons to a w.c. over the whole inquiry is 15, and, as the average family consists of four persons, we have nearly four families to each w.c.

Great pains have been taken to arrive at an accurate comparison between the income of the tenant and the rent he pays, but it is obvious that the margin of inaccuracy must be considerable in an inquiry of this personal character. The average rent of a single room tenement is 8.48 fr. per month (1s. 6 $\frac{3}{4}$ d. a week); of a two-room tenement, 13.90 fr. a month (2s. 6 $\frac{3}{4}$ d. a week); and of the tenements containing three or more rooms, 22.26 fr. a month (4s. 1 $\frac{1}{4}$ d. a week). The average rent paid per tenant over the whole inquiry was 12.45 fr. a month (2s. 3 $\frac{1}{2}$ d. a week). The income is calculated on the normal earnings of the entire household; it is confined to persons who live by manual labour, those living by means of small shops or commercial businesses being excluded. It was found that 64.80 per cent. of the whole have incomes varying from three to five francs a day (14s. 5d. to 24s. a week), the average income being 3.62 fr. a day (17s. 4 $\frac{1}{2}$ d. a week). From these figures it is estimated that the rent is generally about 14 per cent. of the income, and Professor Mahaim considers this proportion too high. Inquiries were also made as to the length of time the tenant had occupied his tenement, and the mean length of tenancy was found to be 5 years 1 month and 8 days.

Similar details are given with regard to a selected number of houses in the suburbs, and also 22 houses built under the 1889 Act.

The inquiry does not deal with the death rate and similar matters of a medical character.

The Committee of Patronage of Liège states that its officers encountered no serious opposition to their work either from the landlords or tenants. It often happened indeed that the tenant hastened to point out the defects of the dwelling, in the hope that the committee might be able to induce the landlord to do the necessary repairs.* †

Prizes for order
and cleanliness.

Another interesting function of these Committees of Patronage lies in their attempt to stimulate a popular desire for order and cleanliness by means of competitions for prizes. The conditions fixed by the Committees of Patronage of Brussels to enable persons to enter for their prizes of order are as follows—

- (a) The household must be regular.
- (b) It must be clean and well arranged.
- (c) The family must be brought up to economical and cleanly habits.
- (d) The education of the children must be carefully watched.
- (e) If the resources of the family permit, saving must be practised.
- (f) The receipt of public relief is a disqualification.

The prizes are made in money in the form of a savings bank deposit, divided into instalments, which can only be withdrawn at certain fixed intervals. The presentation of the prizes forms an important public ceremony, which is usually fully reported by the press, and I am informed that the competition for these prizes is becoming keen. It is stated, however, that the dirtiness of many of the working class districts is due to the bad condition of the streets, courts, and public staircases, and to other causes beyond the control of the tenants, and that when these public places are very dirty they are found to exert a discouraging influence upon the tenants. The Committees of Patronage are therefore exerting themselves to get the local authorities to be more energetic and persistent in their street cleansing departments.

* It may not be inappropriate here to refer parenthetically to the excellent scientific method recently adopted in Paris, and explained to me by the officers of the municipal council. The method was invented by M. Bertillon, the well-known criminal identification expert, and its has for its object the immediate detection of insanitary conditions in any part of Paris. Each house in Paris is furnished with a sanitary "cahier," containing numerous details as to its form, condition, and inhabitants. These are filled up by the sanitary inspectors at their ordinary visits, and then deposited in a special room in the offices of the municipal council. In this room each "cahier" is inserted in its proper numerical position, in a cover dealing with the street in which it is situated, and these street covers are arranged alphabetically on shelves, according to the arrondissement in which they are situated. By this system an official can obtain the "cahier" of any desired house in a moment. Each "cahier" also contains several blank forms, in which the deaths, the contagious diseases, the disinfections, &c., occurring either actually in the house in question or in hospital, are entered day by day as they occur. These particulars are sent to the health department daily by the registrar of births and deaths. It is the duty of the officer making these latter entries to bring anything abnormal before the notice of the medical officers, and it is their duty to report thereon to the health committee, which thus become, as it were, automatically familiar with the inner health conditions of Paris, and take such action as seems called for under the circumstances.

† Inquiries resembling the Liège inquiry are proceeding in some other continental towns, notably in Switzerland, where all the chief cities have recently determined to organize means for the preparation of these statistics. The Swiss Society of Public Utility is about to undertake a national inquiry. If these inquiries are to become general, they will be deprived of a great part of their value if the definitions and types of question-forms are not arranged on an agreed and uniform plan. The congress has therefore referred it to its International Committee to consider what can be done in this direction.

The Second Part of the Law of 9th August, 1889.

The second part of the law of the 9th August, 1889, provides a machinery whereby workmen may become possessors of their own homes. The machinery is based to some extent on the system of our English building societies, but possesses several novel features, and is particularly ingenious from a financial point of view. It is also interesting as a practical working illustration of state intervention with the object of enabling workmen to become owners of the houses in which they dwell.

The general idea underlying this machinery is that the savings of the working classes deposited in the national savings bank should be utilised for the direct benefit of the class by whom they were deposited. In Belgium the national savings bank (*Caisse Générale d'Epargne et de Retraite*) is not, as in England, a branch of the Post-Office, but a separate institution guaranteed by the state and administered by state officials.*

By article 5 of the law of the 9th August, 1889, the *Caisse d'Epargne* was authorised, after consultation with the local Committee of Patronage, to use a part of its funds for the construction or purchase of workmen's dwellings. On 25th March, 1891, the *Caisse d'Epargne* issued a decree setting apart a quarter of its reserve fund for this purpose, but this sum of £74,254 was quickly absorbed, and, on 10th November, 1892, the limit was raised to one-half of the reserve. It was extended to the whole reserve on the 14th June, 1894, and as even this was absorbed, a further decree on 4th June, 1896, extended the limit of advances at $2\frac{1}{2}$ per cent. to one-twentieth of the total funds of the *Caisse d'Epargne*. On 31st December, 1896, the total sum advanced by the *Caisse d'Epargne* amounted to £608,084. The director of the *Caisse d'Epargne* informs me in a letter dated 7th September, 1897, that the demand is steadily increasing.

The *Caisse d'Epargne* does not deal directly with the individual workman, but through the medium of persons of financial standing, or more frequently, of societies constituted for the purpose by the initiative and assistance of the local Committee of Patronage. These societies differ considerably in form. There are societies whose powers are confined to advancing money on mortgage, these are termed Societies of Credit; there are also societies who actually build and own houses themselves, these are termed Societies of Construction. Either form of society can be on Joint Stock or Co-operative lines.†

A decree of the *Caisse d'Epargne* of 25th March, 1891 (at which time the 3 per cent. Belgian National Stock was at par, and the $3\frac{1}{2}$ per cent. at $101\frac{1}{2}$) fixed the rate of interest for loans at 3 per cent., but stated that the *Caisse* would be prepared to grant loans—in exceptional cases—at $2\frac{1}{2}$ per cent. under the following four conditions: (1) that the society requiring the loan accepted the surveillance of the *Caisse d'Epargne*; (2) that it submitted its articles of association for the approval of the *Caisse d'Epargne*; (3) that real estate should not be acquired by the society, and that any real estate that fell into its hands by reason of the failure of a mortgagor should be realised within a period fixed by the *Caisse d'Epargne*; (4) that all dividends on paid-up capital should be limited to 3 per cent., the balance being carried forward to the credit of the reserve capital.

Although it appears to have been the intention of the *Caisse d'Epargne* to have advanced money at $2\frac{1}{2}$ per cent. in special cases only, the demand took the opposite direction, and on 1st January, 1893, the *Caisse d'Epargne* felt it necessary to add a new condition to the above, requiring that at least half the advances of the societies should be secured by insurance policies on the lives of the individual mortgagors. Notwithstanding this new condition, the demand for $2\frac{1}{2}$ per cent. loans steadily increased, and the total advanced on 31st December, 1896, may be divided as follows—

Advances at $2\frac{1}{2}$ per cent. under above conditions	...	£553,153
Advances at 3 per cent. not under above conditions	...	54,931
		£608,084

It is necessary to examine in some detail the organisation and working of these societies, taking as an example the Joint Stock Societies of Credit.

* At its foundation in 1865, interest at 3 per cent. was paid on all deposits, but in 1881 interest on any portion of deposits exceeding £480 was reduced to 2 per cent. In 1886 the 3 per cent. limit of deposit was reduced to £200, in 1891 to £120, and finally in 1894 when a deposit reached £120 the interest on the whole deposit was reduced to 2 per cent. It is interesting to observe that although the effect of the decrease of 1894 has been to reduce the total amount deposited in sums over £120 from £4,400,000 on 31st December, 1893, to £3,080,000 on 31st December, 1896, the increase of deposits under £120 has been sufficient to counteract this deficit; indeed the rate of increase of the total sum on deposit is slightly quicker than it was previously, the actual increase during 1893-6 being from £15,600,000 on 31st December, 1893, to £19,240,000 on 31st December, 1896.

† On 30th April, 1897, there were 116 societies in Belgium, of which 79 were societies of credit, and 37 societies of construction. 103 adopted the joint stock form, and 13 the co-operative form.

Caisse Générale d'Epargne et de Retraite.

Advances made by the *Caisse d'Epargne*.

Formation of intermediary societies.

Rates of interest of loans.

Organization and working of intermediary societies.

Nominal capital.

The basis of a Joint Stock Society of Credit is a nominal capital, the shares of which usually stand in the names of persons of influence and position in the neighbourhood. These persons actually pay up a fixed percentage, usually one-tenth, of the share capital; the balance is to be called up at the discretion of the administrative council of the society, but this action would only be taken under very urgent or exceptional circumstances. The unpaid-up share capital is really a guarantee fund. The shareholder is only liable to the amount of his share. The newly constituted society, which we will assume to be a society intending to carry out its operations on the $2\frac{1}{2}$ per cent. scale, obtains the approval of the Caisse d'Epargne to its rules, elects its administrative council, and is then in a position to commence work. It already possesses cash in hand deposited by the shareholders equal to one-tenth its nominal capital, and it may now obtain from the Caisse d'Epargne its first loan, which can amount to one-half the undeposited nominal capital. Thus, a society with £100,000 nominal capital would actually possess working cash capital of £10,000 deposited by its shareholders at a rate of interest not exceeding 3 per cent., and also £45,000 lent by the Caisse d'Epargne at $2\frac{1}{2}$ per cent. interest, or a total working cash capital of £55,000. This sum is usually deposited with the Caisse d'Epargne by the society in the form of a current account.

Advance by Caisse d'Epargne to society.**Advance by society to workmen.**

Turning now to the society's advances to workmen, it may deal with any person who desires to immediately become the proprietor of his house, on the condition that the value of the house does not exceed £160, and of the land £60, or £220 in all.*

Rate of interest paid by workmen to society.

The applicant for a loan must possess one-tenth of the total sum advanced.† The loan is made by the society to the applicant at 4 per cent. As the society obtains its loan from the Caisse d'Epargne at $2\frac{1}{2}$ per cent. there is a margin on the interest account of $1\frac{1}{2}$ per cent. This margin is considered unnecessarily large by many societies and persons, but the Caisse d'Epargne is strongly in favour of its retention.‡

Period of loan.

The workman applicant may obtain a loan from the society for a period of 10, 15, 20 or 25 years, but no loan can be contracted which will not be finally paid off by the time the borrower reaches 65 years of age.

Method of extinguishing loans contracted without combined life insurance.

The loan may be contracted either with or without combined life insurance.

(i) Loans contracted without combined life insurance are paid off by equal monthly instalments, the amount of which is calculated to secure the repayment of the capital borrowed and interest thereon within the period chosen by the applicant for the extinction of the loan. In this case, in the event of the death or bankruptcy, &c., of the applicant before the extinction of the loan, the society resumes possession of the house, sells it and recoups itself, and hands over the balance, if any, to the inheritors of the deceased borrower.

Ditto, with combined life insurance.

(ii) Loans contracted with combined insurance. In this case a policy of insurance for the amount borrowed is taken out on the life of the workman for a period equal to that for which the loan has been borrowed. If the borrower dies before the termination of this fixed period, the sum insured is applied for the immediate redemption of the total amount

* This limitation is considerably disliked by the class immediately above those for whose benefit the law was passed. M. Van Godtsenhoven and Senator Plissart were delegated by the General Society of Commercial Travellers to strongly urge the International Congress to recommend the Government to increase the maximum value from £220 to £440.

† This condition, which meets with some criticism, is considered indispensable by the Caisse d'Epargne. The societies of credit transfer the property to the applicant upon payment of the first instalment, and it is therefore absolutely necessary that the financial margin on the transaction should be sufficient to cover forced eviction or loss on foreclosure; it is also considered prudent to obtain from the applicant who is desirous of undertaking the responsibilities of ownership, some proof of his economical habits, and of that foresight without which he may fail to keep his engagement. The condition for the workman applicant to possess one-tenth of the capital is not required in the case of Societies of Construction, which only transfer the property to the occupant at the end of a certain number of years. See page 10.

‡ "The lowering of this rate"—states the Caisse d'Epargne in the 1896 report—"would possess the very grave inconvenience of retarding the progressive accumulation of a reserve which is doubly needed to act as a financial guarantee of the societies' operations, and to secure the ultimate financial independence of the organism. Moreover, a limit having been fixed for the advances at the reduced $2\frac{1}{2}$ per cent. rate, it is indispensable that at the end of each financial year the operations should be balanced by a sum carried to the credit of the reserve fund, so that the society may gradually accumulate, over and above the capital guaranteed by the shareholders, its own separate capital, which will thus insure the financial stability of the organism, and one day render it independent of the Caisse d'Epargne by the gradual repayment of the advances made by it. To lend at a less rate than 4 per cent. would be equivalent to turning the public efforts of the society into an arrangement for the benefit of the individual mortgagors. A joint stock society which aims at a permanent result should lend its funds at a rate of interest remunerative enough to leave a profit at the end of the transaction which will thus perpetuate the benefit the society desires to confer on the working classes. Besides, the gradual accumulation of a reserve fund is one of the conditions that the Caisse d'Epargne attached to advances at $2\frac{1}{2}$ per cent. It is under these conditions that the rate of 4 per cent. has been advised from the first, and it would be unfortunate if this rate, generally adopted by the societies, were not maintained."

advanced by the society, and the transaction comes as it were automatically to an end. By this arrangement the house and land pass immediately, freed from all encumbrance, to the wife and children of the deceased borrower. This obligation comes into force immediately the contract is signed, and should the borrower die before the new house was commenced, the society would build the house and hand it over when completed to the wife and children. If on the other hand the borrower survives, the sum insured becomes payable at the date fixed for the expiration of the loan, and it is then handed over to the Caisse d'Epargne and applied by them for the purpose of extinguishing the loan. This completes the transaction. Consequently under this system it is only necessary to pay the insurance premium and simple interest on the loan year by year. These two sums added together amount to slightly more than would have to be paid in the first system of redemption without insurance.

Example.—A workman aged 30 borrows £40 to be extinguished in 10 years. On the system without insurance he pays £5 2s. 7½d. a year. On the insurance system he pays £5 6s. 2½d. a year.

A workman aged 35 borrows £40 to be extinguished in 25 years. On the system without insurance he pays £2 11s. 2½d. a year. On the insurance system he pays £3 1s. 2½d. a year.

The smallest annual payment that can be made in respect of a loan of £40 is £2 11s. 2½d. which extinguishes the loan in 25 years on the non-assurance principle. The largest is £5 13s. 9d., which extinguishes the loan in 10 years on the combined insurance principle, assuming the mortgagor to be 55 years old at the commencement of the transaction.

As soon as an application for a loan has been made by a workman to a Society of Credit and the Society of Credit is satisfied as to its genuineness, the society applies to the Caisse d'Epargne for a further loan. This further loan is a separate transaction, entirely distinct from the loan of half the unpaid nominal capital of the Society of Credit, which it received from the Caisse d'Epargne in the first instance, and which served to constitute part of its original capital. This second loan amounts to three-fifths of the total value of the building in respect of which the loan is being negotiated. This value is fixed by an expert valuer nominated by the Caisse d'Epargne at the cost of the Society of Credit which makes the application.

Example.—Suppose a workman requires a loan upon building to cost, with the land, £200. This loan is made up as follows—

	£
One-tenth possessed by workman applicant	20
Advanced by society of credit (out of original general loan of Caisse d'Epargne to society)	60
Special loan advanced by Caisse d'Epargne (through society)	120
Total	<u>£200</u>

It will be seen that a Society of Credit by devoting £60 from its own fund is able to secure an advance of £180 to a workman. It is thus able to secure the advance of three times the amount of its working capital. It must be continually borne in mind that this working capital has originally been borrowed from the Caisse d'Epargne. So far as the actually deposited share capital is concerned, a society is in a position to render possible the construction of houses of a value equal to 15 times its amount, and at the same time to preserve the deposited share capital intact.

Example.—A Society of Credit, with a nominal capital of £100,000, would usually have £10,000 paid up. On this it would be able to borrow from the Caisse d'Epargne a sum equal to half its unpaid-up share capital, or £45,000. This would enable it to negotiate loans on buildings to the value of £150,000, made up as follows—

	£
One-tenth possessed by workmen	15,000
Three-fifths of total value of £150,000, advanced by Caisse d'Epargne through medium of society	90,000
Balance advanced direct by society (being original advance by Caisse d'Epargne)	45,000
Total	<u>£150,000</u>

or 15 times its paid-up share capital of £10,000, which amount it still retains untouched.

But even this is not the limit of the advances made by the Caisse d'Epargne. It will be seen that the workman mortgagor is indebted to both the Society of Credit and to the Caisse d'Epargne, and it is clear that each of his monthly repayments

Examples of transactions.

Further loan by Caisse d'Epargne to society.

Lending power of societies.

Example.

Repetition of borrowing by society before original loan extinguished.

should be proportionately divided between the Society of Credit and the Caisse d'Epargne. But the Caisse d'Epargne allows the Society of Credit to entirely recoup itself before any repayment is made on account of the special loan advanced by the Caisse d'Epargne in respect of this particular house. Therefore at the end of a few years the Society of Credit finds that the workman mortgagor has entirely discharged his obligation to it direct, and henceforward the society will only have to accept his monthly repayments and forward them to the Caisse d'Epargne. But the completion of this half of the general transaction places the Society of Credit again in a position to lend out its repaid capital and by virtue of this it may ask for and obtain a further loan from the Caisse d'Epargne in respect of a second house long before the first transaction is completed. It is clear that this process may repeat itself three or four times before the special loan made by the Caisse d'Epargne on the original house has been extinguished. Thus it is possible that the £45,000 referred to above might in the course of twenty years be used four times over, each time securing a new loan of £90,000 or £360,000 in all, the only actual cash capital required by the Society of Credit being £10,000. A striking instance of a successful use of a small capital is shown in the case of a society at Walcourt, termed "Le Crédit ouvrier de l'arrondissement de Philippeville." This society was founded in 1891 with a nominal capital of £4,000, of this £400 was paid up. This £400 was utilized on the system described above, and on the 31st December, 1896, 5½ years after the foundation of the society, 589 loans had been made at a total amount of £32,520, of which £32,000 had been borrowed from the Caisse d'Epargne.

Security of the
Caisse d'Epargne.

Yet the Caisse d'Epargne is perfectly secured. Every payment made by the workman mortgagor to the society increases the original margin of 10 per cent. available in case of a forced sale of the property from any cause, and if there were a general failure and the margin proved insufficient there would yet be the shareholders to fall back upon.

Method of
recouping
society in cases
of advances made
on combined
insurance
system.

In cases of advances combined with life insurance the necessity for the repayment of capital at fixed intervals is removed, and it was therefore not possible in these cases to arrange for the society to be paid back first. But this difficulty, which was not foreseen in the original law, was met by a decree of the General Council of the 22nd June, 1893, which authorised the Caisse d'Epargne to pay each year to the intermediary society an amount equal to the surrender value of the insurance policy, and to continue this payment until the advance made by the society was paid off. This decree placed advances on the combined insurance principle on the same basis as the ordinary advances.

Joint-stock
Societies of
construction.

The joint-stock Societies of Construction are formed for the purpose of dealing with cases where the applicant does not possess the tenth share of capital necessary for him to work with a Society of Credit. These societies are based on the same principle as the joint-stock Societies of Credit, with the difference that they themselves buy or build the houses for the applicants.

When an applicant applies to a Society of Construction to build him a house, the society does so with the money of the Caisse d'Epargne borrowed under the same circumstances as those described for the Societies of Credit (with the exception that in these cases the maximum advance of the Caisse d'Epargne is limited to one-half instead of three-fifths of the value of the property). The Society of Construction thereupon lets the property to the applicant, at the same time taking out a policy of insurance upon his life for the value of the property. The premium is included in the rent paid by the tenant, and as soon as the surrender value of this policy has reached the tenth part of the value of the house, the tenant has become possessed of the necessary money which is required to enter a Society of Credit. He thereupon joins a Society of Credit which pays off the Society of Construction and the transaction enters upon the normal course described above.

Co-operative
Societies.

The Co-operative Societies differ from the Joint-stock Societies, inasmuch as they have no considerable share capital. The co-operators take up small shares, usually of £1 each, which they pay in periodical instalments of 4s. 2d. In this way a small capital is raised, which is subsequently lent back again to the co-operators on the security of buildings, together with the three-fifths of the value of the building advanced by the Caisse d'Epargne as in the case of joint stock societies. These societies have also debenture shareholders, the debentures being generally £20 each, redeemable at par at the dissolution of the society, and bearing a fixed interest at 2½ per cent. The shareholding co-operators have the right to redeem the debentures at will.

General statistics

The following statistics will serve as a measure of the success that has been attained in the eight years during which the Act has been in operation.

The total amount of the sums advanced by the various societies in Belgium to workmen on the 30th April, 1897, amounted to £903,116, made up as follows—

Joint stock societies of credit	...	...	£526,038
Joint stock societies of construction	...	...	248,700
Total advanced by joint stock societies			£774,738
Co-operative societies of credit	...	...	116,532
Co-operative societies of construction	...	...	11,846
Total advanced by co-operative societies			£128,378
Total advanced			£903,116

This sum represents 2s. 9½d. per inhabitant of the kingdom of Belgium.

On 31st December, 1896, the number of loans advanced under the Act was 6,658, in respect of which evictions had become necessary in 25 cases. At this date there were 292 mortgagors in arrear with the payment of their monthly instalment. It is stated that the relative importance of this latter number is due to the fact that the societies are not very exacting as to the payment of the monthly instalments which become due at the end of the year. This condition of affairs is generally corrected in the early months of the following year.

The Caisse d'Épargne has recently ordered a special audit of the books of the various societies. The auditors have reported that the administration of the societies whose books have been inspected leaves nothing to be desired. They testify to the irreproachable accuracy of the accounts and to the extreme care displayed by the administrative officials.

Special audit
ordered by
Caisse d'Épargne.

This is briefly the history of the housing question in Belgium, and when it is realised that the whole of the constructive and administrative work that I have described has been carried out within a period of eight years, the remarkable character of the movement will become apparent.

On closer examination, however, it is necessary to observe that the greater part of the success is to be found in rural and semi-rural districts, and this success brings into somewhat sharp contrast the comparative failure in the great towns. The Co-operative Society of the Brussels suburb, Ixelles, the largest co-operative Society of Credit in Belgium, in its report for 1896, states that during the year two new loans were opened, while four were paid off, and the officers of the society seemed to me to be a little discouraged at the apparent cessation of interest in their work. At another Brussels suburb, Etterbeek, the local Society of Credit finds itself in a similar position, and in the 1896 report gives some statistics showing how the tension has been gradually increasing.

Failure of
movement in
great towns.

Mean length of loan.					Monthly instalment.		
					£	s.	d.
1892	...	...	17 years, 6 months	...	...	19	7½
1893	...	...	19 " 8½ "	...	...	19	1
1894	...	...	23 " 6 "	...	...	1	1½
1895	...	...	23 " 9 "	...	...	1	1 2¼
1896	...	...	24 " "	...	...	1	2 9¾

If the interest on the original tenth share of the capital owned by the workmen is taken into account, the average monthly instalments amount to about £1 4s. 9½d., of which about 4s. is the premium of life insurance. The average monthly rent paid in Ixelles is 14s., in Schoerbeek 16s., and in Etterbeek 15s. 7¼d. The committee is convinced that dwellings must be provided at a monthly rent not exceeding 16s. inclusive.

The Committees of Patronage are also alive to the state of affairs, and in its 1896 report the Committee of Patronage for the western districts of Brussels gives the three following reasons for the diminishing interest—

- (1.) Workmen are ceasing to follow the ideal of proprietorship.
- (2.) The class of workmen able to undertake the requirements for repayment is becoming exhausted.
- (3.) The capitalists are becoming less disposed to take up the shares of the societies.

The same note is struck by many of the ablest thinkers in Belgium in recent addresses on this subject. The following extracts will be illustrative of the general feeling of dissatisfaction—

Dissatisfaction
of Belgian
authorities.

1. "It is an excellent work, which aims at obtaining for each family a house which it may occupy in the capacity of proprietor; and it would be perfect if one might hope that, in a definite period, every family would have its home.

"But the workmen who are in a position to acquire a house are the workmen d'élite; their number is small compared with the great mass of those who have not the means to save and who can only afford to occupy, above all in a great town, one or two rooms for an entire family for living and for sleeping." *Auguste Beernaert*, Ministre d'Etat, Président

de la Chambre des Représentants; *Albert Soenens*, Juge au Tribunal de 1^{re} Instance, Président du Comité de Patronage des Communes Ouest-Bruxelles, Vice-président de l'Association pour l'amélioration des Logements Ouvriers; *Pierre Tempels*, Auditeur Général, and others, 1896.

2. "But this legislation (1889) has had little effect in the great centres of population from the point of view of providing small tenements, and despite the best endeavours of the authorities who have to administer the law, it cannot be efficacious. The Committees of Patronage of the great Belgian towns have vainly sought for the terms of a law which would stimulate private initiative in the towns in the same way that the law of 1889 has succeeded in the country." *Ch. de Quéker*, Secrétaire du Cabinet du Bourgmestre de Bruxelles, 1897.

3. "It is, in fact, absolutely established that the greater number of workmen's houses constructed (under the law of 1889) are not really cheap dwellings . . . it is doubtful whether 10 per cent. of the houses can be considered as fulfilling the purpose which the legislature had in view when passing the Act of 1889 . . . We cannot pass over in silence the admitted fact that the workmen who build, seek more and more to do so without the help of the Societies of Construction in order that they may avoid the payment of the sinking fund which is too heavy for their means . . . and can one say that the dwellings of workmen and the necessitous class are sensibly improved? The inquiries continually being made, on the contrary, establish that there is no improvement and that the situation is scarcely modified since 1887 . . . Yet a new argument is supplied by the statistics recently published, establishing a comparison between the income and the rents paid, and do we not find that the rent absorbs 35 per cent. to 40 per cent. of the income?" . . . *Hector le Bon*, Avocat, Membre du Comité de Patronage des Habitations Ouvrières d'Anvers; *Louis Obozinski*, Avocat, Secrétaire du Comité de Patronage des Habitations Ouvrières de Bruxelles-Ouest, 1897.

4. "Can one hope generally to give to each family a convenient and separate house, whether in a great city (100,000 inhabitants at least) or in an ordinary commune, or in a rural commune. We believe that it is necessary to answer 'No,' despite the honourable example of our friends at Bordeaux, who have built charming little houses on the right bank of the Garonne. There is a peremptory reason for this reply—the cost of land in the great towns." *Ch. Lagasse-de Lochet*, Ingénieur en Chef Directeur des Batiments Civils, Président du Comité de Patronage des Habitations Ouvrières de Bruxelles, &c.; *Emile Hellemans*, Architecte, Membre du Comité de Patronage des Habitations Ouvrières de Bruxelles.

Visit paid to
insanitary
quarters.

These statements seem sufficiently explicit to show that the Act of 1889 has done little to improve the condition of the great towns, but, to satisfy myself, I paid a visit in company with the Hungarian and Russian delegates to an insanitary quarter of Brussels, behind the new Palais de Justice; and I am bound to say that the condition of affairs in some of these buildings would not be tolerated in London.

Movement in
favour of direct
construction by
municipalities.

In these circumstances it is important to observe that the public authorities in Brussels are beginning to follow the course of direct intervention that the London County Council has found to be necessary. This direct intervention of the public authorities was foreseen in the Ministerial circular of 1892, which authorised local authorities, in the case of a loan destined for the construction of workmen's dwellings, to give or guarantee their share in the communal funds up to the amount of the annuity which they would undertake to pay. This clause remained a dead letter until last year, when the communal authority of Saint-Gilles-Bruxelles obtained an advance for the construction of 25 houses. The actual building of these houses is only temporarily retarded by some administrative difficulties concerning the land selected.

In conclusion, I desire to testify to the great amount of energy and enthusiasm that is being displayed by the Belgian people in the study of the housing question. The influence of this matter upon the health and wealth of the nation is becoming generally recognised by them, and they have not hesitated to follow up their theoretical recognition with very practical and thoughtful action.

OWEN FLEMING.

London, 20th October, 1897.

